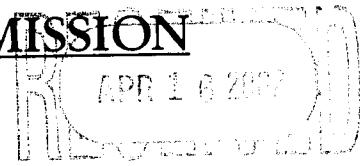


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION
COMMISSION



Director of Utilities

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

A

W-01004B
ASHFORK WATER SERVICE
P. O. BOX 293
ASH FORK AZ 86320-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-18-02 cm

SCANNED

18 APR 2002

COMPANY INFORMATION

Company Name (Business Name) Ash Fork Development Association, Inc.

Mailing Address P. O. Box 436 -- 616 Lewis Avenue
(Street)

Ash Fork
(City)

AZ
(State)

86320
(Zip)

(928) 637-2774

Telephone No. (Include Area Code)

(928) 637-0394

Fax No. (Include Area Code)

(928) 637-2349

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address _____

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Lewis Hume

(Name)

General Manager

(Title)

616 Lewis Ave.
(Street)

Ash Fork
(City)

AZ
(State)

86320
(Zip)

(928) 637-2774

Telephone No. (Include Area Code)

(928) 637-0394

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ~~LH@aol.com~~

lewishume@aol.com

On Site Manager: Same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: John Burk
 (Name)
759 W. Old Rte. 66 Ash Fork AZ 86320
 (Street) (City) (State) (Zip)
(928) 637-2737
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: _____
 (Name)

 (Street) (City) (State) (Zip)

 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>Corporation - (Non-Profit)</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Ash Fork Development Association, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	54,443		54,443
304	Structures and Improvements	24,077	19,291	4,786
307	Wells and Springs	212,323	155,424	56,899
311	Pumping Equipment	48,138	39,135	9,003
320	Water Treatment Equipment	47,218	45,714	1,504
330	Distribution Reservoirs and Standpipes	104,393	46,251	58,142
331	Transmission and Distribution Mains	419,115	212,258	206,857
333	Services			
334	Meters and Meter Installations	13,120	9,016	4,104
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	48,852	15,835	33,017
340	Office Furniture and Equipment	17,359	12,171	5,188
341	Transportation Equipment	32,740	28,498	4,242
343	Tools, Shop and Garage Equipment	23,555	17,500	6,055
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	18,997	14,336	4,661
348	Other Tangible Plant			
	TOTALS	1,064,330	615,429	448,901

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	54,443		0
304	Structures and Improvements	24,077	4.87	1,174
307	Wells and Springs	212,323	2.88	6,115
311	Pumping Equipment	48,138	3.90	1,877
320	Water Treatment Equipment	47,218	.82	386
330	Distribution Reservoirs and Standpipes	104,393	1.81	1,886
331	Transmission and Distribution Mains	419,115	3.78	15,850
333	Services			
334	Meters and Meter Installations	13,120	4.18	549
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	48,852	3.58	1,746
340	Office Furniture and Equipment	17,359	4.28	737
341	Transportation Equipment	32,740	18.92	6,196
343	Tools, Shop and Garage Equipment	23,555	5.72	1,347
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	18,997	2.97	564
	TOTALS	1,064,330		38,427

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds	7,445	2,961
135	Temporary Cash Investments	97,891	139,053
141	Customer Accounts Receivable	17,632	18,151
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	4,775	3,978
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 127,743	\$ 164,143
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,026,522	\$ 1,031,590
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	553,700	586,931
121	Non-Utility Property	32,740	32,740
122	Accumulated Depreciation – Non Utility	23,302	28,498
	TOTAL FIXED ASSETS	\$ 482,260	\$ 448,901
	TOTAL ASSETS	\$ 610,003	\$ 613,044

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 3,520	\$ 2,014
232	Notes Payable (Current Portion)	10,000	10,848
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	11,189	11,000
236	Accrued Taxes	2,486	2,745
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 27,195	\$ 26,607
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 177,860	\$ 166,163
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 205,055	\$ 192,770
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(50,638)	(35,311)
218	Proprietary Capital (Sole Props and Partnerships)	455,586	455,586
	TOTAL CAPITAL	\$ 404,948	\$ 420,275
			(1)
	TOTAL LIABILITIES AND CAPITAL	\$ 610,003	\$ 613,044

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 177,453	\$ 202,338
460	Unmetered Water Revenue	31,808	5,371
474	Other Water Revenues	1,375	1,039
	TOTAL REVENUES	\$ 210,636	\$ 208,748
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 53,837	\$ 53,558
610	Purchased Water		
615	Purchased Power	20,917	18,711
618	Chemicals	159	198
620	Repairs and Maintenance	77,905	16,866
621	Office Supplies and Expense	991	1,209
630	Outside Services	1,882	22,622
635	Water Testing	714	1,490
641	Rents	3,968	1,545
650	Transportation Expenses	161	423
657	Insurance – General Liability	5,711	7,172
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	15,270	6,211
403	Depreciation Expense	37,917	38,427
408	Taxes Other Than Income	6,250	9,491
408.11	Property Taxes	12,280	12,350
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 237,962	\$ 190,273
		(27,326)	18,475
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 5,904	\$ 5,802
421	Non-Utility Income	9,679	1,286
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	10,427	10,237
	TOTAL OTHER INCOME/EXP	\$ 5,156	\$ (3,149)
		(3)	1
	NET INCOME/(LOSS)	\$ (22,173)	\$ 15,327

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/76	5/91		
Source of Loan	U.S.D.A.	GMAC		
ACC Decision No.				
Reason for Loan	Expansion	Expansion		
Dollar Amount Issued	\$ 75,200	\$ 133,486	\$	\$
Amount Outstanding	\$ 62,595	\$ 114,416	\$	\$
Date of Maturity	2014	2032		
Interest Rate	5%	5%		
Current Year Interest	\$ 3,716	\$ 6,405	\$	\$
Current Year Principle	\$ 1,216	\$ 9,632	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME

Ash Fork Development Association, Inc.

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
B - 55-604-624	75	150	12"	3"

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 36,618

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	2		

STATISTICAL INFORMATIONTotal number of customers 466Total number of gallons sold 33,195,785

gallons

COMPANY NAME Ash Fork Development Association, Inc.YEAR ENDING 12/31/2001**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>Non-Profit</u>
Estimated or Actual Federal Tax Liability	<u></u>

State Taxable Income Reported	<u>Non-Profit</u>
Estimated or Actual State Tax Liability	<u></u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u></u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u></u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Jaylene Hume
SIGNATURE

APRIL 15, 2002
DATE

JAYLENE HUME
PRINTED NAME

PRESIDENT
TITLE

COMPANY NAME Ash Fork Development Association, Inc. YEAR ENDING 12/31/2001

WATER AND SEWER
UTILITIES ONLY

PROPERTY TAXES

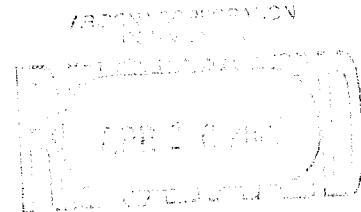
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 12,349.75

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>LEWIS E. Hume manager</u>
COMPANY NAME	<u>Ash Fork Development Assoc. Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 220,113.-

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 11,365.-
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
928-637-2774
TELEPHONE NUMBER

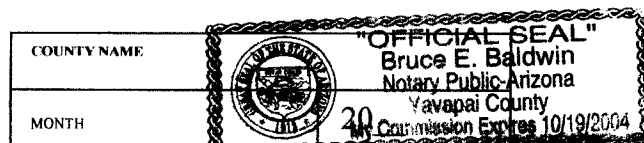
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15TH DAY OF APRIL, 2002 DAY OF

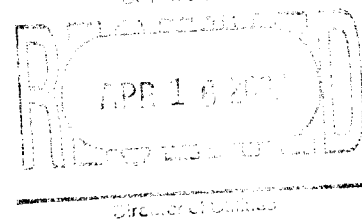
(SEAL)

MY COMMISSION EXPIRES 10/19/2004



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>YAVAPAI</u>	
NAME/OWNER OR OFFICIAL <u>LEWIS E. Hume</u>	TITLE <u>MANAGER</u>
COMPANY NAME <u>Ash Fork Development Assoc. Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 106,266.²⁵

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6298.⁰⁰
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Lewis E. Hume
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

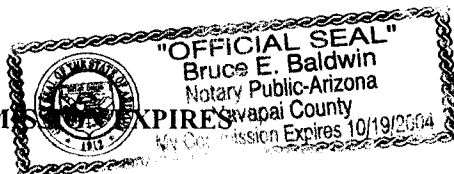
THIS

15TH DAY OF

DAY OF

(SEAL)

MY COMMISSION



NOTARY PUBLIC NAME <u>Bruce E. Baldwin</u>	
COUNTY NAME <u>YAVAPAI</u>	
MONTH <u>APRIL</u>	<u>2002</u>

X

SIGNATURE OF NOTARY PUBLIC

91-504/1221

6428

ASH FORK WATER SERVICE
P.O. BOX 436 PH. 637-2774
ASH FORK, ARIZONA 86320

EXPLANATION	AMOUNT
902-13-1706	645123
302-10-0339	1398

PAY

DATE

TO THE ORDER OF

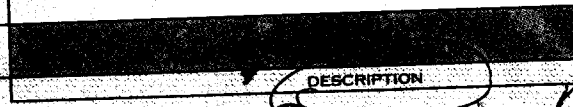
CHECK NO.

NET AMOUNT

DOLLARS

10/19/01

Ross D. Jacobs
County Treasurer



6428 6,465.21

DESCRIPTION

Geni Dim X
John A. Burk

THE STOCKMEN'S BANK
WILLIAMS BRANCH WILLIAMS, ARIZONA 86046

CHECK VOID AFTER 180 DAYS

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

006428 122105045 6010000039

0000646521

104201
0E40000111 >940901221<

10232001 VANAPAI-CREDIT TO PAYEE'S ACCT
21565 0009
20658264
1221-00024

01 01 23
122100024
-JFK ONE, ARIZONA, N.A.
PHOENIX, ARIZONA

15706 1098

ASH FORK WATER SERVICE

P.O. BOX 436 PH. 637-2774
ASH FORK, ARIZONA 86320

EXPLANATION	AMOUNT
902-13-170 -6	

91-504/1221

6216

PAY

Five thousand Eight hundred Eighty four : 54/100 10/2005

DOLLARS

DATE 4/12/01	TO THE ORDER OF ROSS D JACOB YAVAPAI County Treasurer	CHECK NO. 6216	NET AMOUNT 5,884.91
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THE STOCKMEN'S BANK
WILLIAMS BRANCH WILLIAMS, ARIZONA 86046

DESCRIPTION

John A. Jacob

CHECK VOID AFTER 180 DAYS

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

⑈006216⑈ ⑆122105045⑆ 6010000039⑈

⑈0000588454⑈

FOR DEPOSIT ONLY

YAVAPAI
COUNTY
TREASURER

AP 01 17

122100024

ONE, ARIZONA, N.A.
DENIX, ARIZONA

155601596